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HOW NEBRASKANS VIEW THE AGRICULTURAL DOWNTURN

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The Nebraska Annual Social Indicators Survey

David R. Johnson, 1985 Study Director

The findings in this report are based on data collected in the ninth Nebraska Annual Social Indicators Survey (NASIS). This survey is part of an on-going study of the quality of life in Nebraska conducted by the Bureau of Sociological Research at the University of Nebraska-Lincoln.

In 1985, a representative sample of 1851 Nebraskans eighteen years of age or older living in households was interviewed by telephone. The respondents to the 1985 survey are the fifth wave of a panel originally selected and interviewed in 1977, reinterviewed in 1979, 1981, and 1983, and supplemented by the 1984 cross-sectional survey respondents who were new migrants to the state or who had become adults (18) after 1982. These respondents will be reinterviewed every two years in order to provide information on changing quality of life. The interviews averaged approximately 35 minutes and included questions about health, finances, political interests, occupation, recreation, education, family life and other matters reflecting the quality of life experienced in the state. For the entire sample, 95 out of 100 times the percentages computed from the items asked on the survey are likely to be accurate within plus or minus 2.25 percent of the figure that would have been obtained if each adult in Nebraska had been surveyed. This is an estimate of maximum error and for most items the percentages are likely to be even more accurate.

The data gathered by NASIS are used by a wide variety of State and local government agencies for policy and program planning and by faculty and students at the University of Nebraska and other colleges for research. No information identifying any respondent is released to any users and the strict confidentiality of individual respondents is rigidly enforced. While the final responsibility for the organization and structure of the survey and for reports produced under its name rests with the Bureau of Sociological Research, public agencies and University departments play an integral part in planning the survey through an Advisory Committee. Public organizations interested in membership on the Advisory Committee should contact the NASIS Study Directors.

Funding for NASIS comes from the University of Nebraska, the Bureau of Sociological Research, and State and local agencies which buy items and data analysis from the survey.

The NASIS surveys are repeated each year to measure changes in the quality of life in Nebraska. While there is a core of questions which is included every year, each survey has a large component of unique items which address specific topical issues. Plans for future years include interviewing a new sample of Nebraskans in 1986 as well as continuing to reinterview the 1977 panel every two years to assess changes in their lives. Additional detail on the NASIS surveys regarding use of the survey data or cost of purchasing items on future surveys can be obtained by contacting David R. Johnson or Alan Booth, NASIS Study Directors, at the Bureau of Sociological Research or by sending for a copy of the 1986 NASIS Prospectus.

How Nebraskans View the Agricultural Downturn

In the past Nebraska has relied on agriculture as its major industry, but in the last few years, Nebraska, along with other agricultural states, has been faced with a depression in the agriculture industry. This economic downturn has had an impact on all Nebraskan residents, especially farmers, and has raised many questions about the future of agriculture in Nebraska. Is the depressed state of agriculture in Nebraska temporary or will things get worse? Will the economic future for farmers improve, stay the same, or worsen in the next five years? Will the economic and financial future for the State of Nebraska as a whole improve, stay the same, or worsen? If the agricultural economy is in a permanently depressed state, should Nebraskans rely on agriculture as their main industry?

These are just a few of the questions that the 1985 NASIS asked of respondents. In this paper we will discuss how Nebraskans view the economic future of farmers and the state as a whole. We will also discuss their attitudes toward reducing Nebraska's reliance on agriculture as a major industry. We will be comparing the attitudes of farmers and ranchers to those respondents not directly involved in agriculture to see if there is a difference in their perceptions of the economic downturn.

In the spring of 1985, 1,845 Nebraskans age 18 and over were interviewed on a variety of topics as part of the 1985 Nebraska Annual Social Indicators Survey (NASIS). Some general questions about financial prospects and economic satisfaction were asked of all respondents. An additional set of questions regarding the economic downturn in agriculture and its effects on Nebraska was asked of half of the respondents. This random half of NASIS is the sample analyzed in this report.

We looked at several background characteristics of the respondents to see if certain groups had attitudes that differed from the majority of the respondents. The background characteristics include age, marital status, education, rural/urban residence, farming/ranching or non-farming/ranching, and family income. It will be especially interesting to note the differences between respondents in different income categories and the differences between farmers and ranchers and individuals in other occupations.

We have all seen evidence of the decline in the agricultural economy in the last several years. Farmers have been forced to sell their livestock, machinery, and land. Many banks have closed because of outstanding farm loans, and numerous businesses have been forced to file for bankruptcy. Although the condition of the farm economy is apparent to those who are directly involved, others may not have the same perception. In order to find out how Nebraskans, as a whole, view the future of agriculture, we asked them, "Do you think the depressed state of agriculture in Nebraska is just temporary and that things will look up or do you think conditions will stay the same or even worsen?" Table 1 shows us that, overall, Nebraskans feel that conditions will worsen (45%), although almost a third of the respondents were optimistic and felt that things would look up.

Table 1.

Is the depressed state of agriculture in Nebraska going to look up, stay the same, or worsen?

	%	N
Things will look up	31	276
Stay the same	24	213
Worsen	45	401
Total	100%	890

Table 2 (page 4) gives us information on how background characteristics influenced the opinions of the respondents. Although opinions vary, it is interesting to find that the majority of the respondents in each category, with the exception of those who have never been married, felt that conditions were going to get worse. Those individuals who have never been married may be more optimistic because they do not have a family to support. The most significant finding is that the opinions of those individuals involved in farming and ranching were very similar to the opinions of those in other occupations. This finding indicates that the perceptions of the economic downturn are very similar for all Nebraskans.

One would assume that if the state of agriculture in Nebraska were to worsen, the economic future of farmers would also deteriorate. In order to see how respondents viewed the future for farmers, they were asked, "What is your feeling about the economic future for farmers? Do you think conditions will improve, stay the same, or worsen in the next 5 years?" Their responses are presented in Table 3. Nebraskans appear optimistic about the economic future for farmers in the next five years. Forty-two percent of the respondents felt that the farmer's economic future will improve in the next five years, although a little over a third of the respondents felt that it would worsen. Attitudes toward the farmer's economic future are more optimistic than are attitudes expressed regarding the depressed state of agriculture in Nebraska.

Table 2.

Respondent Characteristics and Their Attitudes Regarding the Depressed State of Agriculture in Nebraska

Characteristic	Temporary and Will Look Up	Will Stay the Same	Will Worsen	Number
Residence				
Farm	30%	20%	50%	139
Open Country	33	21	46	76
Town/City	31	25	44	675
Occupation				
Farming/Ranching	30	22	48	122
Other Occupation	31	24	45	768
Family Income				
Less than $15,000	29	23	48	235
$15,000-$30,000	32	25	43	329
$30,000+	30	26	44	282
Age				
18-40	29	28	43	370
41-65	34	20	46	330
66-100	30	22	48	189
Marital Status				
Married	32	23	45	630
Divorced or Separated	16	26	58	73
Widowed	30	20	50	93
Never Married	37	29	34	94
Degree				
Less than High School	33	18	49	123
High School	32	24	44	527
Associate or Jr. College	19	35	46	52
Bachelor's	27	28	45	130
Graduate	38	21	41	58

Table 3.

Will the economic future for farmers improve, stay the same, or worsen in the next 5 years?

	%	N
Improve	42	369
Stay the same	23	207
Worsen	35	310
Total	100%	886

By referring to Table 4 (page 6), we can see that attitudes about the economic future of farmers in the next five years vary much more than the attitudes toward the depressed state of agriculture in Nebraska. Although the majority of respondents felt that the economic future of farmers would improve in the next five years, there were several groups who felt that it will worsen. Marital status, number of years of education, and family income had an effect on the attitudes of some respondents. Individuals who were divorced or separated, never married, had a bachelor's degree, and made over $30,000 a year were more inclined to say that the economic future for farmers will worsen. There may be some overlap between those who had a bachelor's degree and those who made $30,000 a year, since education is closely related to income.

The answers to these two questions seem to indicate that Nebraskans do not expect a quick economic recovery. In fact, the respondents seem to feel that conditions will continue to deteriorate. The results seem to indicate that most Nebraskans feel that the agricultural economy will bottom out in the next few years and will start improving within five years. This seems to be in line with what agricultural economists and politicians are saying. A bright future for farmers and for the agricultural economy is not expected within the next several years.

Table 4.

Respondent Characteristics and Their Attitudes Regarding the Economic Future of Farmers in the Next Five Years

Characteristic	Will Improve	Will Stay the Same	Will Worsen	Number
Residence				
Farm	45%	21%	34%	139
Open Country	42	26	32	79
Town/City	41	24	35	680
Occupation				
Farming/Ranching	44	22	34	119
Other Occupation	41	24	35	767
Family Income				
Less than $15,000	41	21	38	229
$15,000-$30,000	44	24	32	334
$30,000+	38	26	46	280
Age				
18-40	39	25	36	370
41-65	41	22	37	327
66-100	48	21	31	188
Marital Status				
Married	43	25	32	624
Divorced or Separated	34	16	50	73
Widowed	44	21	35	96
Never Married	35	23	42	93
Degree				
Less than High School	42	22	36	118
High School	44	23	33	525
Associate or Jr. College	40	22	38	50
Bachelor's	33	27	40	135
Graduate	40	23	37	61

Although Nebraska has traditionally relied on agriculture as its major industry, the majority of the respondents (74%) felt that Nebraska should reduce its reliance on agriculture and should develop other industries (Table 5). This attitude could be due to the unreliability of agriculture as a main industry. Agricultural prices have hit a low point this year, and even if conditions improve in the future, there is no guarantee that prices will rise to the point where agriculture will become a sufficiently profitable industry.

Table 5.

Should Nebraskans reduce their reliance on agriculture as their main industry?

		%	N
Approve		74	611
Disapprove		23	282
	Total	100%	894

Many Nebraskans may feel that we need to develop industries that are more reliable and profitable. Overall, a majority of every group of respondents was likely to agree to reduced reliance on agriculture, though some groups had a lower percentage of approval than others. This is shown on Table 6 (page 8).

One factor that seems to have more affect on this attitude is family income. Households that made $30,000 or more were much more likely to approve of reduced reliance on agriculture than households that made $15,000 or less. Since farming is not as lucrative as it once was, one might assume that most of the farmers were in the lower income category and that most of the non-farmers were in the higher income category. As it turns out, this is not the case. The percentage of farmers and non-farmers in these two categories was very similar. In fact, there were only 4% more non-farm respondents in the higher income bracket. These results bring us to an interesting conclusion. The

Table 6.

Respondent Characteristics and Their Attitudes Regarding the Economic and Financial Future for Nebraska in the Next Five Years

Characteristic	Will Improve	Will Stay the Same	Will Worsen	Number
Residence				
Farm	39%	33%	28%	135
Open Country	38	33	29	79
Town/City	35	44	21	680
Occupation				
Farming/Ranching	37	33	30	117
Other Occupation	36	43	23	777
Family Income				
Less than $15,000	35	36	29	233
$15,000-$30,000	35	45	19	333
$30,000+	35	42	23	286
Age				
18-40	32	46	22	376
41-65	36	38	26	332
66-100	42	39	18	185
Marital Status				
Married	37.1	40.1	23	635
Divorced or Separated	31	33	36	75
Widowed	40	44	16	90
Never Married	32	50	18	94
Degree				
Less than High School	38	36	27	117
High School	38	40	22	531
Associate or Jr. College	28	50	22	50
Bachelor's	30	44	26	135
Graduate	33	46	21	61

attitudes of farmers and non-farmers regarding reduced reliance on agriculture as Nebraska's main industry are very similar. This implies that although farmers are directly affected by the current agricultural conditions, respondents in other occupations are aware of the situation (Tables 7 and 8).

Table 7.

Attitude toward Reduced Reliance on Agriculture by Farmer/Rancher Family Income

Family Income	Approve	Disapprove	Number
Under 15,000	53%	47%	34
15,000-30,000	64	36	42
Over 30,000	66	34	30
Total	100%	100%	108

Table 8.

Attitude toward Reduced Reliance on Agriculture by Non-Farmer/Rancher Income

Family Income	Approve	Disapprove	Number
Under 15,000	61%	39%	200
15,000-30,000	69	31	293
Over 30,000	79	21	252
Total	100%	100%	745

The last question deals with the financial future of Nebraska as a whole. Respondents were asked "Overall, how do you feel about the economic and financial future for the State of Nebraska as a whole? Do you expect that it will get better, stay the same, or worsen in the next 5 years?" The majority (41%) of the respondents felt that Nebraska's economic and financial future

would stay the same. Yet, over a third (36%) of the respondents felt that conditions would improve (Table 9). These attitudes seem to indicate that Nebraskans have realistic expectations for the economic and financial future of their state.

Table 9.

Will the economic and financial future of Nebraska improve, stay the same, or worsen in the next five years?

	%	N
Improve	36	321
Stay the same	41	369
Worsen	23	204
Total	100%	894

Even though respondents feel that the economic future of farmers will improve, there does not seem to be much link between the economic future of the farmers and the economic and financial future of Nebraska as a whole. In view of the overwhelming approval of reduced reliance on agriculture as the main industry, responses may indicate that the state will improve its economic and financial future by relying on some outside industry. Table 10 (page 11) shows the attitudes of people belonging to different categories.

In summary, Nebraskans felt that the current depressed state of agriculture will worsen, but in five years the economic future for farmers will improve. Almost three-fourths of the respondents felt that we should reduce reliance on agriculture as our main industry. Over three-fourths of the respondents felt that the economic and financial future of Nebraska will either stay the same or improve in the next five years.

Table 10.

Respondent Characteristics and Their Attitudes Regarding Reduced Reliance on Agriculture as Nebraska's Main Industry

Characteristic	Approve	Disapprove	Number
Residence			
Farm	61%	39%	137
Open Country	68	32	76
Town/City	70	30	681
Occupation			
Farmer/Rancher	61	39	118
Other	70	30	776
Family Income			
Less than $15,000	60	40	234
$15,000-$30,000	68	32	335
$30,000+	78	22	284
Age			
18-40	70	30	367
41-65	72	28	334
66-100	60	40	192
Marital Status			
Married	70	30	636
Divorced or Separated	69	31	72
Widowed	57	43	92
Never Married	66	34	94
Degree			
Less than High School	55	45	117
High School	68	32	537
Associate or Jr. College	65	35	49
Bachelor's	74	26	132
Graduate	86	13	59

One of the most important findings is that the attitudes of farmers and those respondents not directly involved in agriculture are very similar. This signifies that all of the respondents have similar perceptions regarding the extent of the current agricultural depression and its effects on Nebraska and its farmers. This similarity in perceptions and attitudes should aid the plight of the farmer. Since people who are not directly involved in farming perceive the problem, they may be more willing to support farm programs and legislation.

The similarity in attitudes may also represent an awareness by all respondents that a depressed agricultural economy not only affects the farmer, but indirectly affects the state as a whole. Some of the respondents not directly involved in farming may have already been effected by this economic downturn.

The results of this study introduce several questions. If most Nebraskans feel that agriculture cannot be relied on as the major industry of Nebraska, what would be the alternative? How does this view affect Initiative 300? Although we cannot answer these questions on the basis of the data from this study, we may be able to address them in the future.

List of reports already released using data gathered in the 1985 Nebraska Annual Social Indicators Survey. These may be purchased at the indicated price from the Bureau of Sociological Research at the University of Nebraska-Lincoln.

Report Number	Title
1	Designs, Procedures, Instruments and Forms for the 1985 NASIS. David R. Johnson. Price: $7.50.
2	How Nebraska Farmers View Their Financial Future. David R. Johnson. Price: $1.00.
3	Nebraska Families: Status Report, 1985. Lynn K. White. Price: $1.00.